



**Rod R. Blagojevich, Governor**  
**Barry S. Maram, Director**

## **Illinois Department of Public Aid**

201 South Grand Avenue East  
Springfield, Illinois 62763-0001

**Telephone:** (217) 782-5565  
**TTY:** (800) 526-5812

November 7, 2003

### **INFORMATIONAL NOTICE**

TO: Enrolled Hospices

RE: Rate Changes Effective October 1, 2003

=====

The Centers for Medicare and Medicaid Services (CMS) recently notified the department of the annual update of Medicaid hospice rates for federal fiscal year 2004. This notice serves to inform hospice providers of the revised rates that are effective for claims with dates of service from 10/01/03 through 9/30/04.

Payment for routine home care (revenue code 651) and continuous home care (revenue code 652) is based upon the geographic location where the service is furnished. Attached is a table identifying the Metropolitan Statistical Area (MSA) County/Rural regions, the corresponding MSA codes and wage indices. The reverse side of the table shows the revised wage component and unweighted amount to be used in the calculation of rates for routine home care and continuous home care for dates of service 10/01/03 through 9/30/04.

Rates for general inpatient care (revenue code 656) and inpatient respite care (revenue code 655) are based upon the MSA where the hospice provider is located. Rates for general inpatient and inpatient respite care will be updated and shown on the individual hospice provider's Provider Information Sheet. The Provider Information Sheets will be generated by the department and mailed to each hospice, once the updates have been completed.

If you have any questions concerning this notice, please contact your billing consultant in the Bureau of Comprehensive Health Services at 217-782-5565.

Anne Marie Murphy, Ph.D.  
Administrator  
Division of Medical Programs

**FEDERAL FY 2004 REVISED HOSPICE RATES (10/01/03 – 09/30/04)**

<b>STATE/COUNTY</b>	<b>MSA CODE</b>	<b>WAGE INDEX</b>
ILLINOIS / McLean	1040	0.9667
ILLINOIS / Champaign-Urbana	1400	1.1286
ILLINOIS / Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will	1600	1.1720
ILLINOIS / Henry, Rock Island; IOWA / Scott	1960	0.9376
ILLINOIS / Macon	2040	0.8548
ILLINOIS / Kankakee	3740	1.1451
ILLINOIS / Peoria, Tazewell, Woodford	6120	0.9274
ILLINOIS / Boone, Ogle, Winnebago	6880	1.0214
ILLINOIS / Clinton, Jersey, Madison, Monroe, St. Clair; MISSOURI / Franklin, Jefferson, Lincoln, St. Charles, St. Louis, St. Louis city, Warren	7040	0.9397
ILLINOIS / Menard, Sangamon	7880	0.9189
ILLINOIS / Rural	9914	0.8706
INDIANA / Rural	9915	0.9291
INDIANA / Terre Haute	8320	0.9126
IOWA / Rural	9916	0.8824
KENTUCKY / Rural	9918	0.8574
MICHIGAN / Rural	9923	0.9551
MINNESOTA / Rural	9924	0.9711
MINNESOTA / Minneapolis-St. Paul	5120	1.1571
MISSOURI / Rural	9926	0.8512
WISCONSIN / Rural	9952	0.9723
WISCONSIN / Milwaukee	5080	1.0499

**CALCULATION OF REVISED FFY 2004 HOSPICE HOME CARE RATES  
RATES EFFECTIVE 10/01/03 – 09/30/04**

Revenue Code	Wage Component	Unweighted Amount
651	\$81.24	\$36.99
652	\$473.72	\$215.73

Below are the formulas and examples for calculating routine home care and continuous home care rates:

**FORMULAS**

**ROUTINE HOME CARE (651)**

MSA Wage Index  
x Wage Component  
= Base Rate  
+ Unweighted Amount  
= Daily Rate

**CONTINUOUS HOME CARE (652)**

MSA Wage Index  
x Wage Component  
= Base Rate  
+ Unweighted Amount  
= Daily Rate  
Divided by 24  
= Hourly Rate

**EXAMPLES**

**ROUTINE HOME CARE (651)**

MSA Code                      1040  
  
Wage Index                      0.9667  
  
Wage Component        x        \$81.24  
  
Base Rate                      =        \$78.53  
  
Unweighted Amount    +        \$36.99  
  
Daily Rate                      =        \$115.52

**CONTINUOUS HOME CARE (652)**

MSA Code                      1040  
  
Wage Index                      0.9667  
  
Wage Component        x        \$473.72  
  
Base Rate                      =        \$457.95  
  
Unweighted Amount    +        \$215.73  
  
Daily Rate                      =        \$673.68  
Divided by 24  
Hourly Rate                      =        \$28.07